

AMENDED IN ASSEMBLY MAY 4, 2009  
AMENDED IN ASSEMBLY APRIL 16, 2009  
AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1508**

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**Introduced by Assembly Member Torrico**

February 27, 2009

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An act to add *and repeal* Sections 17052.55 and 23655 ~~to~~ of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1508, as amended, Torrico. Income and corporation taxes: credit: lending employees to schools.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, *for taxable years beginning on or after January 1, 2010, and before January 1, 2013*, allow a credit under both laws in an amount equal to ~~an unspecified~~ *25% of the* amount of qualified expenses paid, *not to exceed a specified amount*, or incurred in connection with lending a qualified employee to a Title I public school, as defined, for the purpose of assisting in the teaching of mathematics or science, *as provided*.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 17052.55 is added to the Revenue and Taxation Code, to read:

17052.55. (a) For each taxable year beginning on or after January 1, 2010, *and before January 1, 2013*, there shall be allowed as a credit against the “net tax,” as defined in Section 17039, an amount equal to        25 percent of the amount paid or incurred during the taxable year for qualified expenses in connection with lending a qualified employee to a Title I public school for the purpose of assisting in the teaching of mathematics and science.

(b) For purposes of this section:

(1) “Qualified expenses” means both of the following:

~~(A) Amounts paid or incurred by the taxpayer with respect to expenses incurred by or on behalf of a taxpayer’s employee for the amount of compensated hours utilized for lending a qualified employee to a Title I public school for the purpose of assisting in the teaching of mathematics and science.~~

~~(B) Expenses paid or incurred by the taxpayer for the wages of a qualified employee, to the extent those wages are allocable to teaching.~~

(A) *Qualified employee expenses paid by the taxpayer associated with assisting in the teaching of mathematics and science at a Title I public school, limited to expenses for teaching supplies, class materials, and equipment.*

(B) *Qualified employee wages paid by the taxpayer for time spent in a classroom assisting in the teaching of mathematics and science at a Title I public school.*

(2) “Qualified employee” means an employee whose employment specialty includes mathematics or science.

(3) “Title I public school” means any high school in the state that is a part of a public school district in which at least 40 percent of the children in the school attendance area are from low-income families or at least 40 percent of the students enrolled are from low-income families eligible to receive federal Title I funds.

(4) “Mathematics” means instruction designed to develop fluency in basic computational skills and an understanding of mathematical concepts and mathematical reasoning and problem solving, including, but not limited to, number sense, algebraic functions, geometry and other measurement functions, statistics,

1 data analysis, probability analysis, and quantitative concepts.  
2 “Mathematics” includes, but is not limited to, courses in algebra  
3 I, algebra II, linear algebra, calculus, geometry, trigonometry,  
4 mathematical analysis, probability and statistics, and advanced  
5 probability and statistics.

6 (5) “Science” means instruction designed to develop skills and  
7 procedures for the systematic pursuit of knowledge that includes,  
8 but is not limited to, problem solving and recognition, the collection  
9 of data through observation and experiment, and the formulation  
10 and testing of hypotheses. “Science” includes, but is not limited  
11 to, courses in biology, life science, physical science, physics,  
12 chemistry, geoscience, health science, and computer science.

13 (c) A credit shall be allowed under this section only if a *school*  
14 *district governing board certifies by resolution that the employee*  
15 *is qualified to assist in the teaching of mathematics and science,*  
16 *prior to the employee beginning to assist in the teaching of*  
17 *mathematics and science, and a Title I public school issues a*  
18 *service record to the taxpayer certifying receipt of the services and*  
19 *compliance with the requirements of subdivision (e). That service*  
20 *record shall contain the employee’s name, dates of teaching service,*  
21 *number of teaching hours, verification of the employee’s eminence*  
22 *credential, or eligibility for the issuance thereof, hours, and a*  
23 *verification signature from an authorized agent or designee of the*  
24 *high school.*

25 (d) No deduction shall be allowed to a taxpayer for that amount  
26 of *qualified* expenses for which a credit is allowed to that taxpayer  
27 under this section.

28 (e) No credit shall be allowed under this section with respect to  
29 the lending of a qualified employee to a high school unless both  
30 of the following apply:

31 (1) The employee does not supplant, or otherwise replace, any  
32 teacher at the school.

33 (2) The taxpayer makes ~~charitable donations~~ *contributions*  
34 including, but not limited to, classroom materials, resources,  
35 equipment, ~~and~~ *or* facilities.

36 (f) The maximum amount allowable as a credit to the taxpayer  
37 ~~for qualified expenses shall be based on \_\_\_\_\_ percent of not exceed~~  
38 *the total amount of charitable contributions made by the taxpayer*  
39 *to the school for that taxable year.*

(g) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and the succeeding seven years if necessary, until the credit is exhausted.

(h) *By November 1, 2012, the Legislative Analyst’s Office shall submit a report to the Legislature, including the Chairpersons of the Assembly and Senate Education Committees and the Chairpersons of the Assembly and Senate Revenue and Taxation Committees, on the evaluation of the tax credit established pursuant to this section, including, but not necessarily limited to, the number of taxpayer’s utilizing the tax credit, the identity of those taxpayers, and the total dollar amount of tax credits issued per year.*

(i) *This section shall remain in effect only until December 1, 2013, and as of that date is repealed.*

SEC. 2. Section 23655 is added to the Revenue and Taxation Code, to read:

23655. (a) For each taxable year beginning on or after January 1, 2010, and before January 1, 2013, there shall be allowed as a credit against the “tax,” as defined in Section 23036, an amount equal to \_\_\_\_\_ 25 percent of the amount paid or incurred during the taxable year for qualified expenses in connection with lending a qualified employee to a Title I public school for the purpose of assisting in the teaching of mathematics and science.

(b) For purposes of this section:

(1) “Qualified expenses” means both of the following:

~~(A) Amounts paid or incurred by the taxpayer with respect to expenses incurred by or on behalf of a taxpayer’s employee for the amount of compensated hours utilized for lending a qualified employee to a Title I public school for the purpose of assisting in the teaching of mathematics and science.~~

~~(B) Expenses paid or incurred by the taxpayer for the wages of a qualified employee, to the extent those wages are allocable to teaching.~~

(A) *Qualified employee expenses paid by the taxpayer associated with assisting in the teaching of mathematics and science at a Title I public school, limited to expenses for teaching supplies, class materials, and equipment.*

(B) *Qualified employee wages paid by the taxpayer for time spent in a classroom assisting in the teaching of mathematics and science at a Title I public school.*

1 (2) “Qualified employee” means an employee whose  
2 employment specialty includes mathematics or science.

3 (3) “Title I public school” means any high school in the state  
4 that is a part of a public school district in which at least 40 percent  
5 of the children in the school attendance area are from low-income  
6 families or at least 40 percent of the students enrolled are from  
7 low-income families eligible to receive federal Title I funds.

8 (4) “Mathematics” means instruction designed to develop  
9 fluency in basic computational skills and an understanding of  
10 mathematical concepts and mathematical reasoning and problem  
11 solving, including, but not limited to, number sense, algebraic  
12 functions, geometry and other measurement functions, statistics,  
13 data analysis, probability analysis, and quantitative concepts.  
14 “Mathematics” includes, but is not limited to, courses in algebra  
15 I, algebra II, linear algebra, calculus, geometry, trigonometry,  
16 mathematical analysis, probability and statistics, and advanced  
17 probability and statistics.

18 (5) “Science” means instruction designed to develop skills and  
19 procedures for the systematic pursuit of knowledge that includes,  
20 but is not limited to, problem solving and recognition, the collection  
21 of data through observation and experiment, and the formulation  
22 and testing of hypotheses. “Science” includes, but is not limited  
23 to, courses in biology, life science, physical science, physics,  
24 chemistry, geoscience, health science, and computer science.

25 (c) A credit shall be allowed under this section only if a *school*  
26 *district governing board certifies by resolution that the employee*  
27 *is qualified to assist in the teaching of mathematics and science,*  
28 *prior to the employee beginning to assist in the teaching of*  
29 *mathematics and science, and a Title I public school issues a*  
30 *service record to the taxpayer certifying receipt of the services and*  
31 *compliance with the requirements of subdivision (e). That service*  
32 *record shall contain the employee’s name, dates of teaching service,*  
33 *number of teaching hours, verification of the employee’s eminence*  
34 *credential, or eligibility for the issuance thereof, hours, and a*  
35 *verification signature from an authorized agent or designee of the*  
36 *high school.*

37 (d) No deduction shall be allowed to a taxpayer for that amount  
38 of *qualified* expenses for which a credit is allowed to that taxpayer  
39 under this section.

(e) No credit shall be allowed under this section with respect to the lending of a qualified employee to a high school unless both of the following apply:

(1) The employee does not supplant, or otherwise replace, any teacher at the school.

(2) The taxpayer makes charitable ~~donations~~ contributions including, but not limited to, classroom materials, resources, equipment, ~~and~~ or facilities.

(f) The maximum amount allowable as a credit to the taxpayer for qualified expenses shall be based on \_\_\_\_\_ percent of not exceed the total amount of charitable contributions made by the taxpayer to the school for that taxable year.

(g) In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and the succeeding seven years if necessary, until the credit is exhausted.

(h) By November 1, 2012, the Legislative Analyst’s Office shall submit a report to the Legislature, including the Chairpersons of the Assembly and Senate Education Committees and the Chairpersons of the Assembly and Senate Revenue and Taxation Committees, on the evaluation of the tax credit established pursuant to this section, including, but not necessarily limited to, the number of taxpayer’s utilizing the tax credit, the identity of those taxpayers, and the total dollar amount of tax credits issued per year.

(i) This section shall remain in effect only until December 1, 2013, and as of that date is repealed.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CORRECTIONS:

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